

The Oregonian  
May 16, 2005

### **The Case for CAFTA**

*The trade pact with Central American nations is in line with the United States' principles on free and fair trade*

A rising tide of protectionist sentiment in Congress is threatening the proposed Central American-Dominican Republic Free Trade Agreement, known as CAFTA-DR. Rep. Earl Blumenauer last week became the fourth Oregon congressman to declare that he will vote against the trade agreement.

It is disturbing to see Oregon and national leaders back away from the principle that free and fair trade is good for the United States and the rest of the world. People are better off in an integrated global economy where they have an opportunity to sell their goods, services and skills around the world.

Yes, there are serious concerns about environmental and labor abuses in CAFTA-DR countries. But CAFTA-DR would give the United States leverage to push for changes. Every country that has improved its standards for workers and strengthened its environmental protections has done so as a result of more global trade and more integration with other countries, not less.

Anyone who looks hard enough can find reasons for opposing free trade and the CAFTA-DR agreement. Yes, China is eating our lunch in the global economy. Yes, some U.S. jobs have migrated to Mexico since Congress approved the North American Free Trade Agreement. Yes, the sugar lobby, including Northwest sugar beet farmers, opposes CAFTA-DR because it would crack open the protectionist wall that keeps the price of sugar here double that of the world price.

Yet on balance, ratifying CAFTA-DR is still in this nation's interest. The United States will clearly benefit from establishing a healthy two-way trading relationship with Guatemala, Honduras, Costa Rica, Nicaragua, El Salvador and the Dominican Republic.

As it stands, 80 percent of goods and services and 99 percent of agriculture products from those countries enter the United States duty-free. But \$15 billion worth of U.S.-made products exported to CAFTA-DR countries still pay heavy tariffs. CAFTA-DR would eliminate most of those tariffs, saving U.S. manufacturers and growers more than \$1 billion a year in foreign taxes.

Oregon's leading exporters, including Intel and Nike, strongly support CAFTA-DR. Oregon's leaders in Congress should remember that this state depends on trade. Nearly one of every four jobs depends on imports or exports, and those jobs on average pay about 15 percent more than other work.

It has become fashionable to blame NAFTA and free trade for almost every lost job and every labor and environmental abuse. Free-trade foes claim agreements such as CAFTA-DR allow foreign corporations to challenge and override land-use, labor and environmental rules in this country. But they cannot point to any cases -- not one -- where local laws in the United States have been overridden.

Yet CAFTA-DR is in trouble in Congress. The Bush administration is struggling to round up the votes to pass it. Three key Oregon lawmakers -- Rep. Greg Walden and Sens. Gordon Smith and Ron Wyden -- should throw their support behind it.

Every trade agreement involves compromises. But CAFTA-DR will help our neighbors to the south while creating new markets for U.S. manufacturers and farmers. A nation that professes to be the world's leading proponent of free and fair trade should not retreat from its principles now.